

GENERAL PARTNERSHIP AGREEMENT

THIS PARTNERSHIP AGREEMENT is entered into on (enter date) between the following persons:

(Enter names and addresses of all partners)

The above named persons agree that upon the commencement date of this partnership, they shall be deemed to have become partners in business. The purposes, terms and conditions of this partnership are as follows:

1. The firm name of the partnership shall be (enter name of partnership).
2. The business of the partnership is set forth below and includes any other business related thereto:

We are forming a no-maintenance fee partnership for (enter name of partnership) to claim and/or buy horses to race in North America. (Enter name of trainer) has been selected as our trainer for these ventures and is currently stables at (enter name of racetrack). Investors will make a one-time buy in payment without any additional maintenance costs. A cushion or pool will be created from the monies accumulated from the initial buy in to cover training as well as other maintenance expenses. Earnings from purses won by horses racing under (enter stable name) will be placed into the pool to purchase other horses and/or cover future expenses. (Enter stable name) and (enter trainer name) will focus on racing our horses where they can be expected to be the most profitable in order to produce a positive return for the partners and grow the venture. Partners will be entitled to all the perks of a racehorse owner and will be able to sell their shares based on the guidelines stated elsewhere in this agreement.

3. The partnership shall commence on (enter date) and continue until dissolved by mutual agreement of the partners.
4. Capital contribution and distribution of profits and losses will be equal for all partners based on the following:

Total Capital Contribution – (enter total amount contributed by partners)

Number of Partners/Shares – (enter total number of partners)

Percentage Share Per Partner – (divide total capital by number of partners)

A division of profits and losses shall be made at such a time as may be agreed upon by the partners at the close of each racing season at (enter name of racetrack). The profits and losses of the partnership shall be divided between the partners according to the percentage share stated above.

5. Control – The partners shall have exclusive control over the business and each partner shall have equal rights in the management and conduct of the partnership

business. Any differences arising as to the ordinary matters connected with the partnership business shall be decided by a majority vote of the partners. The Managing Partner will be (insert name) and will approve all day-to-day decisions requested by the trainer. Second level decisions will be made in coordination with the Managing Partner and selected advisors. All decisions of significance, including the election of new officers, will be made by all partners and decided by a majority vote of the partners.

6. Adequate accounting records shall be created and maintained. All partners may review any and all accounting records at any time.
7. The partners will designate (insert name) as the Treasurer that will establish an account with (insert name of racetrack) into which all funds of the partnership will be placed and maintained. The Managing Partner and the Treasurer will not be the same person. The Managing Partner and the Treasurer will not receive any preferential treatment within the partnership for performing their duties.
8. Accounting records and bookkeeping shall be kept on a cash basis.
9. Selling shares of the partnership – If a partner decides to sell their interests in the partnership business, the interests will be valued at the current cash balance plus the sale price of each asset at the time of the sale. The liquidating partner will receive no additional payments based on the activity of the asset(s) between the time of the initial cash distribution and the sale of the asset(s). The asset distribution payment will be made within thirty days of the sale of the asset(s). No partner may sell their interests in the partnership to a third party unless the general partners based on a majority vote mutually agree upon that sale.
10. Additional partners – Additional partners may be added through a majority vote of the partners. The cost to additional partners will be a minimum of (enter original partnership share value). Any premium will be determined through a reasonable valuation of the cash and assets owned by the partnership. The valuation will be determined prior to the vote by the partners.
11. Dissolution – In the event of a life changing financial situation for one of the partners, the remaining partners have the right to continue the business of the partnership under the same name, or in conjunction with any other partners that they choose.

SIGNATURES OF THE PARTNERS:
